briefing them appropriately about our economic situation, macro economic fundamentals, stability and India's economic potential and attractiveness as a trade and invetment partner. The Missions are actively mounting efforts to give publicity to them, including through holding or participating in investment promotion seminars etc.

(b) The policy towards the foreign direct investment (FDI) is a dynamic policy aimed at progressively liberalising the FDI regime with a view to encouraging foreign investment in priority areas so as to make the Indian economy globally competitive. It is constantly reviewed taking into account the suggestions received from various quarters. The government has taken several initiatives in this direction, some of which are:

(i) Mining sector opened for automatic approval by RBI upto 50%

(ii) Extension of list of industries for automatic approval upto 51% expanded and certain sectors opened for automatic approval upto 74% equity. Total no. items for automatic approval enlarged from 35 to 60.

(iii) Foreign equity participation in electric generation, transmission and its distribution from hydroelectric, coal/lignite based, oil based, gas based thermal power plants has been allowed upto 100% under automatic approval provided the foreign equity in these projects does not exceed Rs. 1500 crores.

(iv) In the NBFC sector, FDI has been allowed in 16 activities at different levels.

(v) New guidelines have been issued on 11 June, 1998 by the Ministry of Civil Aviation about FDI in the civil aviation sector.

FIIs Permitted to Invest in Secondary Market

4512. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) the names of FIIs that are permitted to invest in the secondary market of stock exchanges in the country;

(b) the names of the countries where the FIIs are registered; and

(c) the conditionalities, if any, for permitting the FIIs to invest in the country's secondary market of stock exchanges?

THE MINISTER OF FINANCE (SHRI YASHWANT SINHA): (a) and (b) The information is being collected and will be laid on the Table of the House.

(c) The investment by the Foreign Institutional Investors (FIIs) in the Indian Capital Market are subject to an individual investment ceiling of 10% and an aggregate investment ceiling for all FIIs of 24% of the issued and paid-up capital of the Company. The ceiling of 24% can be enhanced by the investee company subject to specified special procedures. The operations of the FIIs are governed by the Securities and Exchange Board of India's Foreign Institutional Investors Regulations of 1995.

Recommendation of Khan Group on Mergers

4513. SHRI KRISHNA KUMAR BIRLA:
DR. B.B. DUTTA:
SHRI JANARDHANA POOJARY:

Will the Minister of FINANCE be pleased to state:

(a) whether the RBI had set up a Khan working group to given freedom to banks and financial institutions to explore gainful mergers etc;

(b) if so, the details of recommendations made by the Khan working group and on the basis of these recommenda-